

**CITY OF PAOLA**

Paola, Kansas

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

December 31, 2018

# CITY OF PAOLA, KANSAS

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## INDEPENDENT AUDITOR'S REPORT

City Commissioners  
City of Paola, Kansas  
Paola, Kansas

### Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Paola, Kansas, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

#### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note C of the financial statement, the financial statement is prepared by the City of Paola, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Paola, Kansas as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

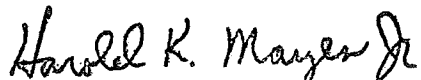
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Paola, Kansas as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

***Prior Year Comparative***

The 2017 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2018 basic financial statement upon which we have rendered an unmodified opinion dated April 5, 2019. The 2017 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note C.



Harold K Mayes Jr. CPA  
Agler & Gaeddert, Chartered  
Ottawa, Ks  
April 5, 2019

**City of Paola, Kansas**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
For the Year Ended December 31, 2018**

	<b>Beginning Unencumbered Cash Balances</b>	<b>Receipts</b>
<b>General Fund</b>	\$ 694,513	\$ 4,063,339
<b>Special Purpose Funds</b>		
Library	43,065	306,267
Employee Benefit	758,211	1,187,741
Family Aquatics Center	101,480	222,856
Community Center	46,136	113,650
Storm Water Management	98,689	85,423
Special Park and Recreation	62,243	15,413
Street Repair/Special Highway	53,926	152,197
Special Law Enforcement Account	6,644	47
Transient Guest Tax	75,302	35,547
Family Aquatics Center Equipment Reserve	505,392	3,281
Escrow Proceeds	13,638	22,711
Mennenoah Cemetery	43,283	4,053
Special Grants Fund	29,485	57,014
Drug Enforcement Account	1,513	1,000
	<u>1,839,007</u>	<u>2,206,200</u>
<b>Debt Service Funds</b>		
Bond and Interest	<u>413,050</u>	<u>1,755,276</u>
<b>Capital Projects Funds</b>		
Waste Water Treatment Plant Construction	767,435	5,887
Equipment Replacement	130,147	95,621
Capital Projects Fund	<u>876,930</u>	<u>1,357,694</u>
	<u>1,774,512</u>	<u>1,459,202</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balances</u>
\$ 3,993,616 \$	764,236 \$	208,314 \$	972,550
293,482	55,850	9,788	65,638
1,241,191	704,761	47,300	752,061
276,162	48,174	4,595	52,769
124,339	35,447	4,640	40,087
55,570	128,542	7,420	135,962
18,781	58,875	0	58,875
152,548	53,575	1,072	54,647
1,000	5,691	0	5,691
39,420	71,429	0	71,429
150,000	358,673	0	358,673
33,103	3,246	0	3,246
38,108	9,228	0	9,228
63,849	22,650	2,270	24,920
2,277	236	0	236
<u>2,487,553</u>	<u>1,556,141</u>	<u>77,085</u>	<u>1,633,462</u>
<u>1,660,067</u>	<u>508,259</u>	<u>0</u>	<u>508,259</u>
19,497	753,825	0	753,825
153,760	72,008	10,000	82,008
<u>1,409,637</u>	<u>824,987</u>	<u>2,536</u>	<u>827,523</u>
<u>1,582,894</u>	<u>1,650,820</u>	<u>12,536</u>	<u>1,663,356</u>

The accompanying notes are an integral part of this statement.

**City of Paola, Kansas**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
For the Year Ended December 31, 2018**

	<b><u>Beginning Unencumbered Cash Balances</u></b>	<b><u>Receipts</u></b>
<b>Business Funds</b>		
Water Utility		
Operating	\$ 213,211	\$ 2,068,264
Water Treatment Plant	272,123	2,104
Sewer Service		
Operating	283,261	791,674
Sewer Line Replacement	191,420	8,502
Wastewater Treatment Plant	251,591	489,565
Health and Sanitation	<u>29,643</u>	<u>368,680</u>
	<u>1,241,249</u>	<u>3,728,789</u>
	<u>\$ 5,962,331</u>	<u>\$ 13,212,806</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balances</u>
\$ 2,129,753	\$ 151,722	\$ 16,731	\$ 168,453
0	274,227	0	274,227
814,676	260,259	16,153	276,412
0	199,922	0	199,922
551,073	190,083	4,945	195,028
368,192	30,131	29,129	59,260
<u>3,863,694</u>	<u>1,106,344</u>	<u>66,958</u>	<u>1,173,302</u>
<u>\$ 13,587,824</u>	<u>\$ 5,585,800</u>	<u>\$ 364,893</u>	<u>\$ 5,950,929</u>

Cash balance consisting of

Balance on deposit

Checking, money market accounts & petty cash \$ 1,700,693

Certificates of deposit 4,250,000

Payroll withholding 7,884

Police bond 15,119

Police account 236

Total cash 5,973,932

Agency Funds Per Schedule 3 (23,003)

Total cash (excluding agency funds) \$ 5,950,929

The accompanying notes are an integral part of this statement.



## CITY OF PAOLA, KANSAS

### NOTES TO FINANCIAL STATEMENT

December 31, 2018

#### NOTE A. MUNICIPAL REPORTING ENTITY

The City of Paola is a municipal corporation governed by a mayor/council/manager form of government. These financial statements present the government and its related municipal entities, entities for which the government is considered to be financially accountable.

##### **Related Municipal Entities**

The Paola Free Library is governed by a board appointed by the City Council. The Library's budget and its expenditures and contractual arrangements, are approved by the City council. The Library has been included in the accompanying financial statements as a special purpose fund of the primary government.

##### **Other Entities**

The Paola Housing Authority has been omitted from the accompanying financial statements. The Paola Housing Authority Board is appointed by the City Council and oversees the operations of the Paola Housing Authority. The financial statements of the Paola Housing Authority are audited annually as of the Paola Housing Authority's fiscal year end (March 31). Those financial statements are issued separately and may be obtained from the Paola Housing Authority.

The City entered into a joint venture with the City of Louisburg for the purpose of developing a public utility to treat and disburse water to the two cities. The water treatment plant has been completed and is in operation. Both Cities provide labor, supplies and administrative costs to the operation for which both are reimbursed. Those financial statements are issued separately and may be obtained at City Hall.

The Public Building Commission activity is included in these financial records as part of the City's activity. There is no separate accounting by the Public Building Commission of its activity.

#### NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

**Bond and Interest Fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business Fund** – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

## CITY OF PAOLA, KANSAS

### NOTES TO FINANCIAL STATEMENT

December 31, 2018

#### NOTE B. REGULATORY BASIS FUND TYPES - continued

**Trust Fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The City does not have any funds of this type.

**Agency Fund** – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, City tax collection accounts, etc.).

#### NOTE C. BASIS OF ACCOUNTING

*Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America* - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Paola, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

#### NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**Adjustment for Qualifying Budget Credits** – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

# CITY OF PAOLA, KANSAS

## NOTES TO FINANCIAL STATEMENT

December 31, 2018

### NOTE D. BUDGETARY INFORMATION - continued

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds and capital project funds:

Special Law Enforcement	Drug Enforcement Account
Family Aquatics Center Equipment	Wastewater Treatment Plant Construction
Escrow Fund	Equipment Replacement
Mennenoah Cemetery	Capital Projects
Special Grants	

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

### NOTE E. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the City or in an adjoining City if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The City rates investments (if any) as noted.

*Concentration of credit risk* - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than money markets and certificates of deposit.

*Custodial credit risk – deposits:* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2018.

At December 31, 2018, the carrying amount of the City's bank deposits was \$5,950,929 (which includes petty cash funds) and the bank balance was \$6,077,027. The bank balance was held by two banks resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$5,577,027 was collateralized with securities held by the pledging financial institution's agents in the City's name.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the

**CITY OF PAOLA, KANSAS**

**NOTES TO FINANCIAL STATEMENT**

December 31, 2018

**NOTE E. CASH AND INVESTMENTS – continued**

possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

**NOTE F. LONG-TERM DEBT**

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Maturity
<b>General obligation bonds:</b>				
Refunding Series 2012	2.00-3.20	09/01/12	7,525,000	09/01/31
Refunding Series 2014	2.00-3.00	10/06/14	2,485,000	09/01/25
<b>Public Building Commission</b>				
Series 2008	3.25-4.25	09/25/08	3,660,000	05/01/21
Series 2012	2.00-2.125	11/01/12	2,055,000	11/01/21
Refunding Series 2016	2.0-3.0	01/12/16	2,185,000	11/01/26
<b>Capital leases:</b>				
Vac-Con Truck	2.85	12/22/16	185,000	12/22/19
Fire Truck	2.25	04/28/15	750,000	4/28/29
Ford Explorer Police Cars	3.08	01/05/17	56,500	1/5/20
Dump Truck	3.47	03/14/18	190,000	3/14/22
Copiers	0.00	01/18/18	18,300	1/18/22

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
<b>General obligation bonds:</b>						
Refunding Series 2012	\$ 5,265,000	\$ 0	\$ 280,000	\$ (280,000)	\$ 4,985,000	\$ 150,658
Refunding Series 2014	2,145,000	0	250,000	(250,000)	1,895,000	61,850
<b>Public Building Commission</b>						
Series 2008	640,000	0	400,000	(400,000)	240,000	18,960
Series 2012	890,000	0	215,000	(215,000)	675,000	18,087
Refunding Series 2016	1,770,000	0	215,000	(215,000)	1,555,000	50,513
Total bonds	<u>\$ 10,710,000</u>	<u>\$ 0</u>	<u>\$ 1,360,000</u>	<u>\$ (1,360,000)</u>	<u>\$ 9,350,000</u>	<u>\$ 300,068</u>
<b>Capital leases:</b>						
Fire Truck	\$ 614,446	\$ 0	\$ 45,172	\$ (45,172)	\$ 569,274	\$ 13,825
Vac-Con Truck	123,254	0	60,761	(60,761)	62,493	3,513
Ford Explorer Police Cars	56,500	0	18,265	(18,265)	38,235	1,740
Dump Truck	0	190,000	0	190,000	190,000	0
Copiers	0	18,300	3,660	14,640	14,640	0
Total for leases	<u>794,200</u>	<u>208,300</u>	<u>127,858</u>	<u>80,442</u>	<u>874,642</u>	<u>19,078</u>
Total for all debt	<u>\$ 11,504,200</u>	<u>\$ 208,300</u>	<u>\$ 1,487,858</u>	<u>\$ (1,279,558)</u>	<u>\$ 10,224,642</u>	<u>\$ 319,146</u>

# CITY OF PAOLA, KANSAS

## NOTES TO FINANCIAL STATEMENT

December 31, 2018

### NOTE F. LONG-TERM DEBT – continued

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year				
	2019	2020	2021	2022	2023
<b>Principal:</b>					
Bonds	\$ 1,130,000	\$ 1,145,000	\$ 1,175,000	\$ 790,000	\$ 785,000
Capital Leases	176,238	116,936	100,246	103,032	50,488
	<u>1,306,238</u>	<u>1,261,936</u>	<u>1,275,246</u>	<u>893,032</u>	<u>835,488</u>
<b>Interest:</b>					
Bonds	266,761	235,545	203,946	172,295	149,433
Capital Leases	22,452	17,480	14,165	11,379	8,509
	<u>289,213</u>	<u>253,025</u>	<u>218,111</u>	<u>183,674</u>	<u>157,942</u>
Total Principal & Interest	<u>\$ 1,595,451</u>	<u>\$ 1,514,961</u>	<u>\$ 1,493,357</u>	<u>\$ 1,076,706</u>	<u>\$ 993,430</u>

	Year		
	2024-2028	2029-2033	Total
<b>Principal:</b>			
Bonds	\$ 2,915,000	\$ 1,410,000	\$ 9,350,000
Capital Leases	270,001	57,701	874,642
	<u>3,185,001</u>	<u>1,467,701</u>	<u>10,224,642</u>
<b>Interest:</b>			
Bonds	449,125	90,620	1,567,725
Capital Leases	24,987	1,298	100,270
	<u>474,112</u>	<u>91,918</u>	<u>1,667,995</u>
Total Principal & Interest	<u>\$ 3,659,113</u>	<u>\$ 1,559,619</u>	<u>\$ 11,892,637</u>

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2018, the statutory limit for the City was \$15,165,649 providing a debt margin of \$8,285,649 after removing debt exempt from the limitation.

# CITY OF PAOLA, KANSAS

## NOTES TO FINANCIAL STATEMENT

December 31, 2018

### NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General	Community Center	12-1118	\$ 83,000
General	Employee Benefit	12-1118	375,800
General	Capital Projects	12-1118	31,000
General	MERF	12-1118	35,000
Library	Employee Benefit	12-1118	50,000
Family Aquatics Center	Employee Benefit	12-1118	46,500
Community Center	Employee Benefit	12-1118	13,000
Storm Water Management	Employee Benefit	12-1118	11,000
Street Repair	Employee Benefit	12-1118	3,000
Family Aquatics Center Equipment Reserve	Family Aquatics Center	12-1118	150,000
Capital Projects	Bond and Interest	12-1118	917,560
Water Utility	Employee Benefit	12-1118	116,000
Sewer Service	Employee Benefit	12-1118	161,000
Sewer Service	Sewer Line Replacement	12-1118	7,000
Waste Water Treatment Plant	Bond and Interest	12-825d	430,658
Waste Water Treatment Plant	Employee Benefit	12-1118	20,000
Health & Sanitation	Employee Benefit	12-1118	5,000
			\$ 2,455,518

### NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

#### *Other Post Employment Benefits:*

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All employees of the City working 20 or more hours per week are eligible to participate in the plan beginning the first day of a pay period following coincidental with an employee's satisfaction of eligibility requirements of any Optional Benefit Plan. Each participant may elect to reduce his or her salary, subject to the limitations of the Individual Optional Benefit plans, to purchase benefits offered through the Plan. All benefits offered through the plan involve insurance coverage, dependent care reimbursements and health expense reimbursements.

**CITY OF PAOLA, KANSAS**

**NOTES TO FINANCIAL STATEMENT**

December 31, 2018

**NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS - continued**

***Compensated Absences:***

***Vacation Pay*** - Full-time employees are entitled to paid vacation leave time according to one of the following schedules:

- (a) Full-time employees hired prior to January 1, 1992:

The employee shall be credited with ninety-six (96) hours for each year for up to ten (10) years. Employees with more than ten (10) years of service shall be entitled to eight (8) additional hours for each year of service longer than ten (10) years.

Full-time employees hired after January 1, 1992:

Years of Continuous Employment:	0 to 5	5 to 10	10 to 15	over 15
Hours earned per bi-weekly pay period:	3.6923	4.6153	5.5384	6.4615

- (b) New employees shall be awarded vacation time beginning on the first day of the month following (30) days of employment.
- (c) Employees may accumulate vacation leave time up to the maximum of two hundred (200) hours. An employee shall not earn additional vacation leave during any time period that the employee maintains the two hundred (200) hours maximum accumulation.
- (d) Off-duty employees on a leave of absence without pay for more than seven (7) working days in any one (1) calendar month shall not be eligible for earning vacation time during such month.
- (e) Vacation schedules are established by the Department Heads. Vacation time shall be reported as prescribed by the Human Resources Director and shall be taken as follows:

Employees who work 8 hour days	Increments of four (4) hours
Employees who work 10 hour days	Increments of five (5) hours

- (f) Bonus personal time shall be rewarded to employees not using sick leave as prescribed by the following schedule:

Hours of Sick Leave Used	Personal Hours Awarded
0 – 3	24
4 – 8	16
9 – 16	8
17 or more	0

To qualify for bonus personal time, employees must have been employed by the City for the entire calendar year. Bonus personal time is awarded in the first pay period of the calendar year and must be used prior to the end of the calendar year that it is awarded or it shall be cancelled without any payment due to the employee. Bonus personal time may be taken in 1 hour increments.

- (g) Employees shall receive payment for unused vacation time upon voluntary or involuntary termination of employment. As of December 31, 2018, the unused vacation time represented a potential liability to the City in the amount of \$156,257.

## CITY OF PAOLA, KANSAS

### NOTES TO FINANCIAL STATEMENT

December 31, 2018

#### NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS - continued

##### *Compensated Absences: - continued*

**Sick Pay** - Full-time employees may accumulate up to 180 days of sick leave. Twenty-five percent (25%) of unused sick leave will be paid upon termination of employment if in good standing. At December 31, 2018 City employees had accumulated 20,415 sick leave hours, representing a potential liability to the City of \$148,811 if paid upon termination. There is no accrual for vacation or sick leave in these financial statements. The City budgeted \$140,000 for expense in 2018 relating to this liability.

#### NOTE I. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

#### NOTE J. DEFINED BENEFIT PENSION PLAN

**Plan Description.** The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefits pension plan as provided by K.S.A. 74-4901. et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and require supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Ks. 66603) or by calling 1-888-275-5737.

**Contributions.** K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009, KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law establishes the KPERS member-employee contribution rates a 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. K.S.A. 74-4975 establishes KP&F (Kansas Police and Fire) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the internal revenue code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for KPERS and 20.09% for KP&F for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$148,954 for KPERS and \$166,623 for KP&F for the year ended December 31, 2018.

**Net Pension Liability:** At December 31, 2018 the City's proportionate share of the collective net pension liability reported to KPERS was \$1,348,450 and \$1,529,554 for KP&F. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ration of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.



## CITY OF PAOLA, KANSAS

### NOTES TO FINANCIAL STATEMENT

December 31, 2018

#### NOTE K. OTHER POSTEMPLOYMENT BENEFITS – THRU KPERS

City of Paola has employees who have disability insurance through KPERS. As of December 31, 2018 the liability for these policies was determined by an actuarial valuation as of December 31, 2017, calculated based upon a discount rate of 3.87%, actuarial assumptions using a valuation date of December 31, 2017, a measurement date of June 30, 2018, an inflation rate of 2.75%, salary increases including inflation, mortality tables based on actual KPERS experience, a growth rate of 3% and an actuarial cost method. This data was rolled forward to the measurement date as of June 30, 2018 and then to December 31, 2018. Any significant changes during this period have been reflected as prescribed by GASB 75.

At December 31, 2018, the City of Paola's proportionate share of the collective net other postemployment benefits liability reported to KPERS was \$34,947. The City of Paola's proportion of the net pension liability was based on the ratio of the City of Paola's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

#### NOTE L. OTHER INFORMATION

**Reimbursed Expenses:** The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

**Compliance with Kansas Statutes:** References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality. Management is not aware of any violations of Kansas Statutes.

**Ad valorem tax revenues:** The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20<sup>th</sup>, prior to the fiscal year for which they are budgeted and the second half is due the following May 10<sup>th</sup>. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

**Reimbursements:** The City of Paola records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenues to the fund receiving the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursement.

**Special assessments:** Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

#### NOTE M. SUBSEQUENT EVENTS

**Subsequent Events:** The City evaluated subsequent events through April 5, 2019, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

REGULATORY BASIS  
SUPPLEMENTARY INFORMATION

**City of Paola, Kansas**

**Schedule 1**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
(Budgeted Funds Only)  
For the Year Ended December 31, 2018**

<b>Fund</b>	<b>Certified Budget</b>	<b>Adjustments for Qualifying Budget Credits</b>	<b>Total Budget for Comparison</b>	<b>Expenditures Chargeable to Current Year</b>	<b>Variance Over (Under)</b>
<b>General Fund</b>	\$ 4,592,380	\$ 0	\$ 4,592,380	\$ 3,993,616	\$ (598,764)
<b>Special Purpose Funds</b>					
Library	338,193	0	338,193	293,482	(44,711)
Employee Benefit	1,851,058	0	1,851,058	1,241,191	(609,867)
Family Aquatics Center	335,883	0	335,883	276,162	(59,721)
Community Center	159,908	0	159,908	124,339	(35,569)
Storm Water Management	159,235	0	159,235	55,570	(103,665)
Special Park and Recreation	71,138	0	71,138	18,781	(52,357)
Street Repair/Special Highway	201,204	0	201,204	152,548	(48,656)
Transient Guest Tax	99,751	0	99,751	39,420	(60,331)
<b>Debt Service Funds</b>					
Bond and Interest	2,133,978	0	2,133,978	1,660,067	(473,911)
<b>Business Funds</b>					
Water Utility					
Operating	2,650,293	0	2,650,293	2,129,753	(520,540)
Water Treatment Plant	272,529	0	272,529	0	(272,529)
Sewer Service					
Operating	1,110,569	0	1,110,569	814,676	(295,893)
Sewer Line Replacement	198,523	0	198,523	0	(198,523)
Wastewater Treatment Plant	747,705	0	747,705	551,073	(196,632)
Health and Sanitation					
Operating	400,629	0	400,629	368,192	(32,437)

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2a**

GENERAL FUND - 01  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>			<b>Variance Over (Under)</b>
		<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>					
<b>Taxes</b>					
Ad valorem property tax	\$	1,239,249	\$ 1,313,427	\$ 1,277,600	\$ 35,827
Back tax collections		12,922	21,975	8,000	13,975
Motor vehicle tax		138,663	150,108	146,679	3,429
City sales tax		806,126	800,601	760,000	40,601
County sales tax		554,559	574,748	540,000	34,748
Sales tax		1,555	1,917	2,000	(83)
In lieu of taxes		27,399	21,074	20,000	1,074
<b>Total taxes</b>		<b>2,780,473</b>	<b>2,883,850</b>	<b>2,754,279</b>	<b>129,571</b>
<b>Intergovernmental</b>					
Liquor		15,672	14,276	14,254	22
Community fisheries program		6,489	6,489	6,400	89
<b>Total intergovernmental</b>		<b>22,161</b>	<b>20,765</b>	<b>20,654</b>	<b>111</b>
<b>Licenses, fees and permits</b>					
Franchise tax		457,795	501,372	455,000	46,372
Pet licenses		1,402	1,114	1,000	114
General licenses		34,425	33,725	35,000	(1,275)
Lake permits		41,621	39,421	37,000	2,421
Zoning/planning		2,249	850	1,500	(650)
Building permits		102,728	77,911	65,000	12,911
<b>Total licenses, fees &amp; permits</b>		<b>640,220</b>	<b>654,393</b>	<b>594,500</b>	<b>59,893</b>
<b>Charges for services</b>					
Rural fire		78,429	74,918	75,000	(82)
<b>Fines, forfeitures, penalties</b>					
Fines and fees		221,217	200,442	250,000	(49,558)
Court costs		54,960	47,640	65,000	(17,360)
<b>Total fines, forfeitures, penalties</b>		<b>276,177</b>	<b>248,082</b>	<b>315,000</b>	<b>(66,918)</b>
<b>Use of money and property</b>					
Rentals		50,922	52,229	45,000	7,229
Cemetery		13,200	13,650	16,000	(2,350)
Vending Machine Revenue		0	39	0	39
Interest on investments		10,829	14,057	13,000	1,057
<b>Total use of money &amp; property</b>		<b>74,951</b>	<b>79,975</b>	<b>74,000</b>	<b>5,975</b>

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2a**

GENERAL FUND - 01  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		<b>Variance Over (Under)</b>
	<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts - continued</b>				
<b>Other</b>				
Reimbursed expense	\$ 144,008	\$ 84,746	\$ 134,800	\$ (50,054)
Reimbursed NSF Checks	10,238	11,895	9,000	2,895
Miscellaneous	4,315	4,715	1,500	3,215
Total other	158,561	101,356	145,300	(43,944)
Total cash receipts	4,030,972	4,063,339	\$ 3,978,733	\$ 84,606
<b>Expenditures</b>				
<b>Administration</b>				
Full time salaries	133,630	166,107	\$ 134,000	\$ 32,107
Part time help	13,444	14,339	15,500	(1,161)
Overtime	61	102	120	(18)
Other personal services	2,484	2,516	2,500	16
Legal service	11,700	10,000	16,500	(6,500)
Telephone	5,857	7,835	6,500	1,335
Credit card transaction fees	11,874	13,367	11,000	2,367
Training, travel and dues	9,533	12,894	9,000	3,894
Printing	1,902	1,664	1,500	164
Advertising	1,627	1,160	500	660
Insurance	9,004	9,870	10,500	(630)
Utility charges	9,460	9,658	11,000	(1,342)
Other services	53,854	51,345	45,000	6,345
Civil defense sirens	3,763	3,664	5,000	(1,336)
Street lights	157,457	158,921	155,000	3,921
Chamber of commerce dues	10,000	10,000	10,000	0
General office supplies	5,841	6,203	7,000	(797)
Postage	3,158	3,418	5,000	(1,582)
Gifts and memorials	644	609	500	109
Operational supplies	1,817	2,660	3,500	(840)
Building and maintenance supplies	794	655	1,500	(845)
Cleaning supplies	372	421	750	(329)
Non sufficient funds checks	10,001	13,109	9,000	4,109
Miscellaneous	150	1,002	750	252
Office Equip. Furniture	0	0	0	0
Computer equip. & software	1,606	271	2,000	(1,729)
Refunds	10	576	250	326
Sales tax	1,464	3,983	2,000	1,983
Total administration	461,507	506,349	465,870	40,479

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2a**

GENERAL FUND - 01  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

Expenditures - continued	2018			
	2017 Actual	Actual	Budget	Variance Over (Under)
<b>Police department</b>				
Full time salaries	\$ 986,501	\$ 989,290	\$ 1,040,000	\$ (50,710)
Part time help	14,344	11,212	17,000	(5,788)
Overtime	55,050	77,378	30,000	47,378
Holiday overtime	32,791	31,362	37,000	(5,638)
Communications equipment	2,228	1,130	2,000	(870)
Telephone	15,678	18,688	14,000	4,688
Training, travel and dues	14,660	12,093	12,000	93
Training T&D Command Staff	8,457	9,950	10,000	(50)
Advertising	350	95	300	(205)
Insurance	25,053	20,395	24,000	(3,605)
Lease payments	20,055	20,005	20,005	0
Animal care	11,524	11,679	15,000	(3,321)
Utilities	27,996	28,637	29,500	(863)
Other services	35,078	31,551	37,500	(5,949)
Office supplies	3,074	2,925	4,000	(1,075)
Postage	1,515	1,716	2,200	(484)
Operational supplies	11,358	9,964	12,000	(2,036)
DARE supplies	1,507	1,692	1,700	(8)
Vehicle maintenance	9,059	12,342	15,000	(2,658)
Equipment maintenance	4,279	3,377	5,000	(1,623)
Building maintenance	14,176	19,256	13,000	6,256
Cleaning supplies	1,567	2,143	3,000	(857)
Motor fuel and lubrication	24,391	25,421	32,500	(7,079)
Uniforms	10,177	7,454	8,000	(546)
Enforcement equip. & supplies	15,156	16,244	14,000	2,244
Non sufficient funds checks	47	210	0	210
Miscellaneous supplies	2,471	2,154	2,500	(346)
Office equipment	1,417	2,000	2,200	(200)
Computer equip. & software	27,831	36,930	37,700	(770)
Equipment, bldg. & grounds	308	68	1,000	(932)
Motor vehicles	31,921	8,847	10,000	(1,153)
Refunds	(300)	10	0	10
<b>Total police department</b>	<b>1,409,719</b>	<b>1,416,218</b>	<b>1,452,105</b>	<b>(35,887)</b>

**City of Paola, Kansas**

**Schedule 2a**

GENERAL FUND - 01  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

Expenditures - continued	2018			
	2017 Actual	Actual	Budget	Variance Over (Under)
<b>Fire department</b>				
Full time salaries	\$ 168,191	\$ 185,043	\$ 165,000	\$ 20,043
Part time help	4,645	4,734	4,500	234
Telephone	2,289	3,204	2,200	1,004
Travel, dues and tags	8,913	13,653	8,000	5,653
Insurance	13,472	14,797	16,000	(1,203)
Lease payments	30,270	0	0	0
Utilities	18,359	20,583	18,000	2,583
Other contractual	9,796	10,157	11,500	(1,343)
General office supplies	987	547	1,000	(453)
Postage	54	97	250	(153)
Operational supplies	14,224	16,955	17,000	(45)
Vehicle maintenance	5,675	4,456	6,000	(1,544)
Equipment maintenance	3,905	2,179	6,000	(3,821)
Comm. equip. & maint.	8,365	4,554	12,000	(7,446)
Building maintenance	9,296	16,794	12,000	4,794
Cleaning supplies	666	939	1,000	(61)
Motor fuel and lubrication	1,866	1,906	2,800	(894)
Rural fuel	1,847	2,444	3,000	(556)
Uniforms	6,740	4,174	4,500	(326)
Protective clothing	14,516	15,112	17,000	(1,888)
Miscellaneous	0	428	500	(72)
Computer equip. & software	3,057	1,156	4,000	(2,844)
<b>Total fire department</b>	<b>327,133</b>	<b>323,912</b>	<b>312,250</b>	<b>11,662</b>
<b>Municipal court</b>				
Full time salaries	38,759	40,547	40,500	47
Part time help	31,848	32,664	33,000	(336)
Overtime	0	72	0	72
Legal services	88,055	79,268	85,000	(5,732)
Training, travel and dues	2,830	390	1,000	(610)
Prisoner care	18,334	25,426	25,000	426
Other contract	20,057	16,132	17,000	(868)
Office supplies	1,508	529	1,500	(971)
Non Sufficient Funds	484	184	700	(516)
Postage	529	750	750	0
Operational supplies	695	208	1,000	(792)
Refunds	65	0	0	0
Office Equip - Furniture	0	665	700	(35)
Computer equip. & software	238	396	1,000	(604)
Transfer- Police Bond	26,799	12,116	32,000	(19,884)
<b>Total municipal court</b>	<b>230,201</b>	<b>209,347</b>	<b>239,150</b>	<b>(29,803)</b>

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2a**

GENERAL FUND - 01  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2018			
	2017 Actual	Actual	Budget	Variance Over (Under)
<b>Expenditures - continued</b>				
<b>Street department</b>				
Full time salaries	\$ 170,618	\$ 185,715	\$ 172,000	\$ 13,715
Part time help	4,455	0	7,500	(7,500)
Overtime	1,813	3,349	2,600	749
Telephone	2,256	2,823	2,300	523
Training, travel, dues	1,870	1,427	1,000	427
Advertising	189	386	500	(114)
Insurance	11,781	14,704	11,500	3,204
Lease payments	2,167	0	25,000	(25,000)
Utility charges	16,369	15,957	18,500	(2,543)
Other services	6,448	10,020	8,500	1,520
Tree care	2,900	6,401	5,000	1,401
General office supplies	105	189	750	(561)
Operational supplies	17,493	17,938	25,000	(7,062)
Vehicle maintenance	2,089	2,784	6,000	(3,216)
Snow/Ice Control	9,237	14,604	15,000	(396)
Equipment maintenance	28,385	24,669	28,000	(3,331)
Traffic	4,647	8,004	10,000	(1,996)
Building maintenance	1,232	2,843	3,500	(657)
Construction material	27,130	25,433	30,000	(4,567)
Motor fuel and lubrication	18,703	18,665	28,000	(9,335)
Uniforms	4,303	4,137	5,000	(863)
Miscellaneous supplies	0	50	300	(250)
Office equipment furniture	609	0	2,000	(2,000)
Computer equipment/ software	24	40	1,000	(960)
Motor vehicle/equipment	0	80	10,000	(9,920)
Miscellaneous capital items	95,008	75,783	95,000	(19,217)
<b>Total street department</b>	<b>429,831</b>	<b>436,001</b>	<b>513,950</b>	<b>(77,949)</b>
<b>Park and recreation</b>				
Full time salaries	157,631	163,096	160,000	3,096
Part time help	22,028	22,213	23,500	(1,287)
Overtime	2,145	2,954	1,000	1,954
Telephone	2,043	2,603	2,000	603
Training, travel and dues	980	1,996	800	1,196
Advertising	333	1,153	600	553
Insurance	6,688	6,309	7,800	(1,491)
Utility charges	37,790	38,205	40,000	(1,795)
Other services	22,486	21,339	22,000	(661)

See Independent Auditor's Report.



**City of Paola, Kansas**

**Schedule 2a**

GENERAL FUND - 01  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017			Over
Expenditures - continued	Actual	Actual	Budget	(Under)
Park and recreation - continued				
Tree care	\$ 2,171	\$ 6,401	\$ 5,000	\$ 1,401
General office supplies	94	93	300	(207)
Operational supplies	9,901	10,754	13,000	(2,246)
Chemicals and fertilizer	3,321	4,173	5,000	(827)
Plant materials	1,976	1,785	4,000	(2,215)
Consumables	1,354	1,374	1,500	(126)
Vehicle maintenance	959	2,693	4,000	(1,307)
Equipment maintenance	7,159	7,889	8,000	(111)
Building maintenance	7,269	4,963	7,000	(2,037)
Construction material	2,115	1,576	2,000	(424)
Motor fuel and lubrication	12,739	15,564	15,000	564
Uniforms	1,241	1,084	1,800	(716)
Computer Equip/Software	448	40	750	(710)
Equipment/building & grounds	14,488	12,877	16,000	(3,123)
Total park & recreation	317,359	331,134	341,050	(9,916)
Cemetery				
Full time salaries	55,378	54,373	53,000	1,373
Part time help	0	0	500	(500)
Overtime	2,717	3,210	3,000	210
Training, travel and dues	112	0	200	(200)
Advertising	65	80	0	80
Insurance	599	576	700	(124)
Other Contractual	1,579	1,611	1,400	211
Operational supplies	280	500	1,500	(1,000)
Vehicle maintenance	232	0	500	(500)
Equipment maintenance	281	1,232	1,000	232
Building maintenance	1,076	2,325	3,000	(675)
Motor fuel and lube	1,477	1,522	2,500	(978)
Uniforms	335	251	500	(249)
Computer Equip/Software	850	0	0	0
Refunds	0	411	0	411
Total cemetery	64,981	66,091	67,800	(1,709)

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

Expenditures - continued	2018			
	2017 Actual	Actual	Budget	Variance Over (Under)
<b>Community development</b>				
Full time salaries	\$ 156,986	\$ 151,848	\$ 177,000	\$ (25,152)
Part time help	0	0	5,000	(5,000)
Overtime	0	741	400	341
Professional services	5,900	3,454	8,000	(4,546)
Legal services	0	275	2,000	(1,725)
Telephone	3,282	4,169	3,500	669
Training, travel and dues	1,786	2,010	3,000	(990)
Legal printing	392	852	2,000	(1,148)
Advertising	54	0	0	0
Insurance	1,316	1,265	1,500	(235)
Other Contractual	8,987	5,971	7,000	(1,029)
General office supplies	3,429	2,968	3,000	(32)
Postage	373	0	750	(750)
Operational supplies	1,185	835	2,000	(1,165)
Vehicle maintenance	27	48	1,000	(952)
Motor fuel and lubrication	536	731	1,500	(769)
Uniforms	234	238	300	(62)
Miscellaneous	308	25	0	25
Computer equipment & software	5,220	3,295	4,500	(1,205)
Motor Vehicle/Equipment	0	28	0	28
Refunds	450	336	500	(164)
Total community development	190,465	179,089	222,950	(43,861)
<b>Economic Development</b>				
Miscellaneous	1,475	675	2,500	(1,825)
<b>Operating transfers</b>	519,800	524,800	529,800	(5,000)
<b>Appropriated reserve</b>	0	0	444,955	(444,955)
Total expenditures and transfers subject to budget	3,952,470	3,993,616	\$ 4,592,380	\$ (598,764)
Receipts over (under) expenditures	78,502	69,723		
Unencumbered cash, January 1	616,012	694,513		
Unencumbered cash, December 31	\$ 694,513	\$ 764,236		

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2b**

SPECIAL PURPOSE FUNDS  
LIBRARY FUND - 02  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<b>2018</b>			
	<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Cash receipts</b>				
<b>Taxes</b>				
Ad valorem property tax	\$ 226,883	\$ 234,356	\$ 227,975	\$ 6,381
Back tax collections	2,437	4,047	3,000	1,047
Motor vehicle tax	26,336	27,682	26,852	830
In lieu of tax	1,371	0	700	(700)
Total taxes	257,027	266,085	258,527	7,558
<b>Intergovernmental</b>				
State aid and grants	19,368	31,894	24,000	7,894
<b>Use of money and property</b>				
Interest on investments	679	941	600	341
<b>Fines and fees</b>	3,060	3,333	4,000	(667)
<b>Other</b>				
Miscellaneous	4,069	4,014	4,000	14
Total cash receipts	284,203	306,267	\$ 291,127	\$ 15,140
<b>Expenditures</b>				
Regular salaries	88,934	95,456	\$ 94,000	\$ 1,456
Temporary help	45,641	41,188	48,000	(6,812)
Library pages	25,399	24,436	25,500	(1,064)
Overtime	542	527	500	27
Unemployment benefits	158	162	300	(138)
Telephone services	2,100	2,874	2,200	674
Training	1,744	2,020	1,500	520
Advertising	1,000	1,010	1,250	(240)
Insurance and bond premiums	6,975	6,574	7,700	(1,126)
Utility charges	11,108	11,239	14,000	(2,761)
Other services	11,631	13,478	10,600	2,878
Office supplies	1,268	1,467	2,000	(533)
Postage	289	287	600	(313)
Gifts & memorials	131	0	0	0
Operation supplies	4,656	4,795	4,700	95
Building maintenance supplies	2,353	2,055	1,800	255
Cleaning supplies	440	689	700	(11)
Library media	15,496	20,513	20,000	513

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS  
LIBRARY FUND - 02  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance Over (Under)
		2017 Actual	Actual      Budget	
<b>Expenditures - continued</b>				
Library materials	\$	1,367	\$ 1,562 \$ 1,600	\$ (38)
Children's programming		205	0	0
Computer equipment and software		5,055	5,145	5,250
Motor vehicle/equipment		0	0	500
Library books		7,356	7,881	8,000
Refunds		71	52	100
Special Grants		895	72	0
Total expenditures		234,814	243,482	250,800
<b>Operating transfers</b>		50,000	50,000	50,000
<b>Appropriated reserve</b>		0	0	37,393
Total expenditures and transfers subject to budget		284,814	293,482 \$	338,193 \$
Receipts over (under) expenditures		(611)	12,785	
Unencumbered cash, January 1		43,676	43,065	
Unencumbered cash, December 31	\$	43,065	\$ 55,850	

City of Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS  
EMPLOYEE BENEFIT FUND - 05  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		<u>Variance</u>
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
<b>Cash receipts</b>	<b>Actual</b>			<b>(Under)</b>
<b>Taxes</b>				
Ad valorem property tax	\$ 284,610	\$ 285,134	\$ 277,350	\$ 7,784
Back tax collections	3,200	5,115	3,000	2,115
Motor vehicle tax	34,107	34,956	33,675	1,281
In lieu of tax	1,720	0	860	(860)
Total taxes	323,637	325,205	314,885	10,320
<b>Use of money and property</b>				
Interest on investments	4,322	6,184	2,500	3,684
<b>Other</b>				
Reimbursements	60,238	55,052	73,000	(17,948)
<b>Operating transfers</b>	811,300	801,300	811,300	(10,000)
Total cash receipts	1,199,497	1,187,741	\$ 1,201,685	\$ (13,944)
<b>Expenditures</b>				
Final Benefits Payout	26,231	12,325	\$ 140,000	\$ (127,675)
HRA	17,814	20,642	50,000	(29,358)
Health Premiums	349,864	481,311	440,000	41,311
Cobra Insurance Premiums	18,788	15,087	34,000	(18,913)
Worker's compensation	59,194	62,973	80,000	(17,027)
FICA employer's contributions	223,930	226,565	265,000	(38,435)
KPERS employer's contributions	318,238	347,335	380,000	(32,665)
Section 125 payments	23,860	34,601	35,000	(399)
Unemployment	2,922	2,970	6,000	(3,030)
Training, travel, dues	481	729	1,000	(271)
Insurance	5,352	5,497	6,000	(503)
Employee assistance	6,455	10,403	13,000	(2,597)
Other contractual	1,454	1,559	1,500	59
Miscellaneous	1,129	1,832	2,000	(168)
Employee development	22,403	17,362	20,000	(2,638)
Total expenditures	1,078,115	1,241,191	1,473,500	(232,309)
<b>Operating Transfers</b>	0	0	0	0
<b>Appropriated reserve</b>	0	0	377,558	(377,558)
Total expenditures subject to budget	1,078,115	1,241,191	\$ 1,851,058	\$ (609,867)
Receipts over (under) expenditures	121,382	(53,450)		
Unencumbered cash, January 1	636,829	758,211		
Unencumbered cash, December 31	\$ 758,211	\$ 704,761		

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2d**

SPECIAL PURPOSE FUNDS  
FAMILY AQUATICS CENTER FUND - 07  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		
	<b>2017</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Cash receipts</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>(Under)</b>
<b>Taxes</b>				
Sales Tax	\$ 1,438	\$ 1,277	\$ 1,500	\$ (223)
<b>Charges for services</b>				
Season passes	16,885	16,285	18,000	(1,715)
Gate receipts	24,941	22,821	29,000	(6,179)
Coupon books	5,827	4,980	5,000	(20)
Concessions	15,548	13,808	17,000	(3,192)
Lessons	6,267	8,475	6,500	1,975
Total charges for services	69,468	66,369	75,500	(9,131)
<b>Use of money and property</b>				
Rentals	4,000	4,200	3,200	1,000
Interest on investments	1,058	780	500	280
Total use of money & property	5,058	4,980	3,700	1,280
<b>Other</b>				
Reimbursed expenses	100	230	0	230
<b>Operating transfers</b>	100,000	150,000	150,000	0
Total cash receipts	176,064	222,856	\$ 230,700	\$ (7,844)
<b>Expenditures</b>				
Regular Salaries	64,406	75,286	\$ 62,000	\$ 13,286
Temporary help	66,703	68,356	84,000	(15,644)
Overtime	5,531	5,783	5,000	783
Other personal services	829	840	900	(60)
Telephone	1,050	1,437	900	537
Training, travel, dues	1,800	0	2,000	(2,000)
Advertising	3,250	3,261	3,000	261
Insurance	5,826	5,327	6,500	(1,173)
Utilities	14,612	13,174	17,000	(3,826)
Other contractual	3,690	2,420	2,500	(80)
Postage	51	0	0	0
General supplies	33	6	200	(194)
Operational supplies	11,844	16,608	14,000	2,608
Equipment maintenance	132	0	1,000	(1,000)
Building & maintenance	216	12,131	10,000	2,131
Cleaning	83	52	300	(248)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS  
FAMILY AQUATICS CENTER FUND - 07  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2017 Actual	2018		Variance Over (Under)
		Actual	Budget	
<b>Expenditures - continued</b>				
Uniforms	\$ 1,804	\$ 2,087	\$ 2,500	\$ (413)
Nonsufficient funds checks	109	0	0	0
Concession supplies	10,401	9,016	13,000	(3,984)
Equipment and plant	613	13,251	10,000	3,251
Refunds	285	33	0	33
Sales tax	1,404	594	1,500	(906)
Total expenditures	194,672	229,662	236,300	(6,638)
<b>Operating transfers</b>	73,171	46,500	46,500	0
<b>Appropriated reserve</b>	0	0	53,083	(53,083)
Total expenditures and transfers subject to budget	267,843	276,162	\$ 335,883	\$ (59,721)
Receipts over (under) expenditures	(91,779)	(53,306)		
Unencumbered cash, January 1	193,259	101,480		
Unencumbered cash, December 31	\$ 101,480	\$ 48,174		

**City of Paola, Kansas**

**Schedule 2e**

SPECIAL PURPOSE FUNDS  
COMMUNITY CENTER - 08  
SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Charges for services</b>				
Rentals	\$ 17,977	\$ 22,983	\$ 18,000	\$ 4,983
Concessions	1,027	767	900	(133)
Ticket sales	4,127	3,963	6,000	(2,037)
Program and events	2,100	750	2,500	(1,750)
Memberships	150	0	1,000	(1,000)
	<u>25,381</u>	<u>28,463</u>	<u>28,400</u>	<u>63</u>
<b>Total charges for services</b>				
	<u>25,381</u>	<u>28,463</u>	<u>28,400</u>	<u>63</u>
<b>Intergovernmental</b>				
Grants	0	150	3,000	(2,850)
	<u>0</u>	<u>150</u>	<u>3,000</u>	<u>(2,850)</u>
<b>Use of money and property</b>				
Interest on investments	268	322	200	122
	<u>268</u>	<u>322</u>	<u>200</u>	<u>122</u>
<b>Fees</b>				
Fees	2,080	1,360	3,900	(2,540)
	<u>2,080</u>	<u>1,360</u>	<u>3,900</u>	<u>(2,540)</u>
<b>Other</b>				
Donations	2,160	0	100	(100)
Reimbursed expenses	125	0	0	0
Sales Tax	129	355	100	255
	<u>2,414</u>	<u>355</u>	<u>200</u>	<u>155</u>
<b>Total other</b>				
	<u>2,414</u>	<u>355</u>	<u>200</u>	<u>155</u>
<b>Operating transfers</b>	83,000	83,000	83,000	0
	<u>83,000</u>	<u>83,000</u>	<u>83,000</u>	<u>0</u>
<b>Total cash receipts</b>	<u>113,143</u>	<u>113,650</u>	<u>\$ 118,700</u>	<u>\$ (5,050)</u>
<b>Expenditures</b>				
Full time salaries	52,140	54,413	\$ 54,000	\$ 413
Part time help	5,201	4,713	5,700	(987)
Overtime	0	161	0	161
Telephone	2,147	2,806	2,100	706
Training and travel	100	100	700	(600)
Advertising	1,745	1,065	2,000	(935)
Insurance	9,664	9,256	11,400	(2,144)
Lease Payments	0	5,041	0	5,041
Utilities	12,097	16,020	15,000	1,020
Other contractual	1,706	3,856	4,000	(144)
Event and program costs	5,226	3,465	8,000	(4,535)

See Independent Auditor's Report.



**City of Paola, Kansas**

**Schedule 2e**

SPECIAL REVENUE FUNDS  
COMMUNITY CENTER - 08  
SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<b>2018</b>			<b>Variance Over (Under)</b>
	<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Expenditures - continued</b>				
General office supplies	\$ 83	\$ 202	\$ 250	\$ (48)
Postage	0	0	1,200	(1,200)
Gifts/memorials	90	0	0	0
Operating supplies	1,231	2,029	3,000	(971)
Building maintenance	2,107	5,140	5,000	140
Cleaning supplies	1,134	726	1,200	(474)
Concession supplies	554	340	500	(160)
Office Equip. Furniture	0	0	300	(300)
Miscellaneous	393	56	150	(94)
Computer equipment and software	305	0	500	(500)
Sales tax	110	106	185	(79)
Real Estate taxes	558	551	1,500	(949)
Summer programs part time help	1,452	726	2,000	(1,274)
Advertising	1,180	0	1,400	(1,400)
Operational supplies	1,201	567	1,000	(433)
Refunds	1,060	0	0	0
Total expenditures	<u>101,484</u>	<u>111,339</u>	<u>121,085</u>	<u>(9,746)</u>
Operating transfers	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>0</u>
Appropriated reserve	<u>0</u>	<u>0</u>	<u>25,823</u>	<u>(25,823)</u>
Total expenditures and transfers subject to budget	<u>114,484</u>	<u>124,339</u>	<u>\$ 159,908</u>	<u>\$ (35,569)</u>
Receipts over (under) expenditures	(1,341)	(10,689)		
Unencumbered cash, January 1	<u>47,477</u>	<u>46,136</u>		
Unencumbered cash, December 31	<u>\$ 46,136</u>	<u>\$ 35,447</u>		

**City of Paola, Kansas**

**Schedule 2f**

SPECIAL PURPOSE FUNDS  
STORM WATER MANAGEMENT - 12  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Charges for services</b>				
Storm water management fees	\$ 83,858	\$ 84,516	\$ 83,000	\$ 1,516
<b>Use of money and property</b>				
Interest on investments	438	907	450	457
<b>Total cash receipts</b>	<u>84,296</u>	<u>85,423</u>	<u>\$ 83,450</u>	<u>\$ 1,973</u>
<b>Expenditures</b>				
Full time salaries	15,874	24,640	\$ 28,500	\$ (3,860)
Overtime	57	239	2,000	(1,761)
Professional Services	0	5,975	0	5,975
Other contractual	2,500	2,500	500	2,000
Construction materials	1,511	2,811	9,000	(6,189)
Lease payments	0	5,200	5,200	0
Equipment/plant	17,765	2,189	2,000	189
Storm water construction	0	1,016	30,000	(28,984)
<b>Total expenditures</b>	<u>37,707</u>	<u>44,570</u>	<u>77,200</u>	<u>(32,630)</u>
<b>Operating transfers</b>	<u>27,000</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>
<b>Appropriated reserve</b>	<u>0</u>	<u>0</u>	<u>71,035</u>	<u>(71,035)</u>
<b>Total expenditures and transfers subject to budget</b>	<u>64,707</u>	<u>55,570</u>	<u>\$ 159,235</u>	<u>\$ (103,665)</u>
Receipts over (under) expenditures	19,589	29,853		
Unencumbered cash, January 1	<u>79,100</u>	<u>98,689</u>		
Unencumbered cash, December 31	\$ <u>98,689</u>	\$ <u>128,542</u>		

**City of Paola, Kansas**

**Schedule 2g**

SPECIAL PURPOSE FUNDS  
SPECIAL PARK AND RECREATION FUND - 14  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		<b>Variance Over (Under)</b>	
	<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>		
<b>Cash receipts</b>					
<b>Intergovernmental</b>					
Local liquor tax	\$ 15,672	\$ 14,277	\$ 14,254	\$	23
Reimbursed Expense	0	700	0		700
<b>Use of money and property</b>					
Interest on investment	321	436	150		286
<b>Total cash receipts</b>	<u>15,993</u>	<u>15,413</u>	<u>\$ 14,404</u>	\$	<u>1,009</u>
<b>Expenditures</b>					
Other services	0	1,435	\$ 3,500	\$	(2,065)
Equip/Bldg. & Grounds	0	15,346	16,000		(654)
Construction materials	<u>2,834</u>	<u>2,000</u>	<u>3,500</u>		<u>(1,500)</u>
<b>Total expenditures</b>	<u>2,834</u>	<u>18,781</u>	<u>23,000</u>		<u>(4,219)</u>
<b>Appropriated reserve</b>	<u>0</u>	<u>0</u>	<u>48,138</u>		<u>(48,138)</u>
<b>Total expenditures subject to budget</b>	<u>2,834</u>	<u>18,781</u>	<u>\$ 71,138</u>	\$	<u>(52,357)</u>
Receipts over (under) expenditures	13,159	(3,368)			
Unencumbered cash, January 1	<u>49,084</u>	<u>62,243</u>			
Unencumbered cash, December 31	\$ <u>62,243</u>	\$ <u>58,875</u>			

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2h**

SPECIAL PURPOSE FUNDS  
STREET REPAIR - SPECIAL HIGHWAY FUND - 17  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over (Under)</b>
<b>Cash receipts</b>				
<b>Taxes</b>				
Gas tax	\$ 147,921	\$ 151,670	\$ 148,980	\$ 2,690
<b>Use of money and property</b>				
Interest on investments	388	527	350	177
Total cash receipts	<u>148,309</u>	<u>152,197</u>	<u>\$ 149,330</u>	<u>\$ 2,867</u>
<b>Expenditures</b>				
Full time salaries	10,289	13,680	\$ 15,000	\$ (1,320)
Overtime	0	0	250	(250)
Other contractual	0	0	2,000	(2,000)
Construction material	<u>140,000</u>	<u>135,868</u>	<u>140,000</u>	<u>(4,132)</u>
Total expenditures	<u>150,289</u>	<u>149,548</u>	<u>157,250</u>	<u>(7,702)</u>
<b>Operating transfers</b>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
<b>Appropriated reserve</b>	<u>0</u>	<u>0</u>	<u>40,954</u>	<u>(40,954)</u>
Total expenditures subject to budget	<u>153,289</u>	<u>152,548</u>	<u>\$ 201,204</u>	<u>\$ (48,656)</u>
Receipts over (under) expenditures	(4,980)	(351)		
Unencumbered cash, January 1	<u>58,906</u>	<u>53,926</u>		
Unencumbered cash, December 31	\$ <u>53,926</u>	\$ <u>53,575</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS  
SPECIAL LAW ENFORCEMENT ACCOUNT - 18  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Cash receipts</b>		
<b>Use of money and property</b>		
Interest on investment	\$ <u>120</u>	\$ <u>47</u>
Total cash receipts	<u>120</u>	<u>47</u>
<b>Expenditures</b>		
Miscellaneous	<u>14,696</u>	<u>1,000</u>
Total expenditures	<u>14,696</u>	<u>1,000</u>
Receipts over (under) expenditures	(14,576)	(953)
Unencumbered cash, January 1	<u>21,220</u>	<u>6,644</u>
Unencumbered cash, December 31	\$ <u><u>6,644</u></u>	\$ <u><u>5,691</u></u>

**City of Paola, Kansas**

**Schedule 2i**

SPECIAL PURPOSE FUNDS  
TRANSIENT GUEST TAX - 20  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Taxes</b>				
Transient guest tax	\$ 35,574	\$ 35,025	\$ 33,000	\$ 2,025
<b>Use of money and property</b>				
Interest on investment	397	522	300	222
<b>Total cash receipts</b>	<u>35,971</u>	<u>35,547</u>	<u>\$ 33,300</u>	<u>\$ 2,247</u>
<b>Expenditures</b>				
Other contractual	1,920	0	\$ 17,501	\$ (17,501)
Economic Development Chamber	10,000	10,000	10,000	0
Promotional campaigns	27,750	29,420	30,000	(580)
Advertising Expense	0	0	250	(250)
Professional Services	900	0	2,000	(2,000)
<b>Total expenditures</b>	40,570	39,420	59,751	(20,331)
<b>Appropriated reserve</b>	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>(40,000)</u>
<b>Total expenditures and transfers subject to budget</b>	<u>40,570</u>	<u>39,420</u>	<u>\$ 99,751</u>	<u>\$ (60,331)</u>
Receipts over (under) expenditures	(4,599)	(3,873)		
Unencumbered cash, January 1	<u>79,901</u>	<u>75,302</u>		
Unencumbered cash, December 31	\$ <u>75,302</u>	\$ <u>71,429</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS  
FAMILY AQUATICS CENTER EQUIPMENT RESERVE - 23  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017 Actual</u>	<u>2018 Actual</u>
<b>Cash receipts</b>		
<b>Use of money and property</b>		
Interest on investments	\$ <u>3,239</u>	\$ <u>3,281</u>
Total cash receipts	<u>3,239</u>	<u>3,281</u>
<b>Expenditures</b>		
<b>Operating transfers</b>	<u>100,000</u>	<u>150,000</u>
Total expenditures and transfers	<u>100,000</u>	<u>150,000</u>
Receipts over (under) expenditures	(96,761)	(146,719)
Unencumbered cash, January 1	<u>602,153</u>	<u>505,392</u>
Unencumbered cash, December 31	\$ <u><u>505,392</u></u>	\$ <u><u>358,673</u></u>

**City of Paola, Kansas****Schedule 21****SPECIAL PURPOSE FUNDS****ESCROW FUND - 46****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<b><u>2017 Actual</u></b>	<b><u>2018 Actual</u></b>
<b>Cash receipts</b>		
Interest Income	\$ 0	\$ 81
Escrow receipts	<u>9,838</u>	<u>22,630</u>
Total cash receipts	<u>9,838</u>	<u>22,711</u>
<b>Expenditures</b>		
Interest Income	0	435
Non Sufficient Funds Checks	0	250
Escrow disbursements	<u>0</u>	<u>32,418</u>
Total expenditures	<u>0</u>	<u>33,103</u>
Receipts over (under) expenditures	9,838	(10,392)
Unencumbered cash, January 1	<u>3,800</u>	<u>13,638</u>
Unencumbered cash, December 31	<u><u>\$ 13,638</u></u>	<u><u>\$ 3,246</u></u>

See Independent Auditor's Report.



**City of Paola, Kansas****Schedule 2m**

SPECIAL PURPOSE FUNDS  
MENNENOAH CEMETERY - 47  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<b><u>2017</u></b> <b><u>Actual</u></b>	<b><u>2018</u></b> <b><u>Actual</u></b>
<b>Cash receipts</b>		
<b>Use of money and property</b>		
Donations	\$ 23,788	\$ 0
Reimbursed Expense	0	3,750
Interest on investment	<u>197</u>	<u>303</u>
Total cash receipts	<u>23,985</u>	<u>4,053</u>
<b>Expenditures</b>		
Capital Improvements	0	32,455
Other Contractual	<u>1,599</u>	<u>5,653</u>
Total expenditures	<u>1,599</u>	<u>38,108</u>
Receipts over (under) expenditures	22,386	(34,055)
Unencumbered cash, January 1	<u>20,897</u>	<u>43,283</u>
Unencumbered cash, December 31	\$ <u><u>43,283</u></u>	\$ <u><u>9,228</u></u>

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2n**

SPECIAL PURPOSE FUNDS  
SPECIAL GRANTS FUND - 70  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<b><u>2017</u></b> <b><u>Actual</u></b>	<b><u>2018</u></b> <b><u>Actual</u></b>
<b>Cash receipts</b>		
<b>Intergovernmental</b>		
Grants	\$ 45,626	\$ 54,014
 <b>Use of money and property</b>		
Reimbursed expenses	4,086	0
Donations and Gifts	<u>15,921</u>	<u>3,000</u>
Total use of money and property	<u>20,007</u>	<u>3,000</u>
 Total cash receipts	<u>65,633</u>	<u>57,014</u>
 <b>Expenditures</b>		
Contractual, materials and equipment	<u>54,693</u>	<u>63,849</u>
 Total expenditures	<u>54,693</u>	<u>63,849</u>
 Receipts over (under) expenditures	10,940	(6,835)
 Unencumbered cash, January 1	<u>18,545</u>	<u>29,485</u>
 Unencumbered cash, December 31	\$ <u><u>29,485</u></u>	\$ <u><u>22,650</u></u>

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2o**

SPECIAL PURPOSE FUNDS  
DRUG ENFORCEMENT ACCOUNT  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<b><u>2017</u></b>	<b><u>2018</u></b>
	<b>Actual</b>	<b>Actual</b>
<b>Cash receipts</b>		
<b>Other</b>		
Reimbursement	\$ 3,000	\$ 1,000
 <b>Expenditures</b>		
Other services	<u>3,350</u>	<u>2,277</u>
 Receipts over (under) expenditures	(350)	(1,277)
 Unencumbered cash, January 1	<u>1,863</u>	<u>1,513</u>
 Unencumbered cash, December 31	\$ <u><u>1,513</u></u>	\$ <u><u>236</u></u>

**City of Paola, Kansas**

**Schedule 2p**

DEBT SERVICE FUND  
BOND & INTEREST - 06  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over (Under)</b>
<b>Cash receipts</b>				
<b>Taxes</b>				
Ad valorem property tax	\$ 335,325	\$ 335,997	\$ 326,850	\$ 9,147
Back tax collections	3,499	5,955	3,000	2,955
Motor vehicle tax	39,675	41,191	39,686	1,505
Special assessments	165,243	15,820	10,000	5,820
In lieu of tax	2,027	0	1,000	(1,000)
Total taxes	<u>545,769</u>	<u>398,963</u>	<u>380,536</u>	<u>18,427</u>
<b>Use of money and property</b>				
Interest on investments	5,517	8,095	3,000	5,095
Miscellaneous	10	0	0	0
Total use of money and property	<u>5,527</u>	<u>8,095</u>	<u>3,000</u>	<u>5,095</u>
<b>Operating transfers</b>	<u>1,412,992</u>	<u>1,348,218</u>	<u>1,348,217</u>	<u>1</u>
Total cash receipts	<u>1,964,288</u>	<u>1,755,276</u>	<u>\$ 1,731,753</u>	<u>\$ 23,523</u>
<b>Expenditures</b>				
Bond principal	1,400,000	1,360,000	\$ 1,360,000	\$ 0
Interest expense	338,283	300,067	300,069	(2)
Other reserves	0	0	473,909	(473,909)
Total expenditures and transfers subject to budget	<u>1,738,283</u>	<u>1,660,067</u>	<u>\$ 2,133,978</u>	<u>\$ (473,911)</u>
Receipts over (under) expenditures	226,005	95,209		
Unencumbered cash, January 1	<u>187,045</u>	<u>413,050</u>		
Unencumbered cash, December 31	\$ <u>413,050</u>	\$ <u>508,259</u>		

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2a**

**CAPITAL PROJECTS FUNDS  
WASTE WATER TREATMENT PLANT CONSTRUCTION - 31  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

**For the Year Ended December 31, 2018**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)**

	<b><u>2017</u></b> <b><u>Actual</u></b>	<b><u>2018</u></b> <b><u>Actual</u></b>
<b>Cash receipts</b>		
<b>Use of money and property</b>		
Interest on investments	\$ 4,568	\$ 5,887
<b>Expenditures</b>		
Equipment/Plant	<u>17,550</u>	<u>19,497</u>
Receipts over (under) expenditures	(12,982)	(13,610)
Unencumbered cash (deficit), January 1	<u>780,417</u>	<u>767,435</u>
Unencumbered cash (deficit), December 31	\$ <u><u>767,435</u></u>	\$ <u><u>753,825</u></u>

**City of Paola, Kansas**

**Schedule 2r**

CAPITAL PROJECTS FUNDS  
EQUIPMENT REPLACEMENT - 80  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<b><u>2017</u></b>	<b><u>2018</u></b>
	<b>Actual</b>	<b>Actual</b>
<b>Cash receipts</b>		
<b>Other</b>		
Sale of Surplus Equipment	\$ 25,364	\$ 46,650
Reimbursed Expenses	430	2,460
Miscellaneous	<u>7,065</u>	<u>1,511</u>
	<u>56,671</u>	<u>45,000</u>
<b>Operating Transfers</b>		
	<u>89,530</u>	<u>95,621</u>
<b>Total cash receipts</b>		
<b>Expenditures</b>		
Miscellaneous	0	447
Equipment/plant	45,425	142,638
Equipment/plant	0	10,000
Motor vehicle	<u>0</u>	<u>675</u>
	<u>45,425</u>	<u>153,760</u>
<b>Total expenditures</b>		
Receipts over (under) expenditures	44,105	(58,139)
Unencumbered cash (deficit), January 1	<u>86,042</u>	<u>130,147</u>
Unencumbered cash (deficit), December 31	\$ <u><u>130,147</u></u>	\$ <u><u>72,008</u></u>

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2s**

CAPITAL PROJECTS FUNDS  
CAPITAL PROJECTS - 90  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<b><u>2017</u></b>	<b><u>2018</u></b>
	<b>Actual</b>	<b>Actual</b>
<b>Cash receipts</b>		
<b>Taxes and shared revenues</b>		
City sales tax	\$ 1,209,188	\$ 1,200,910
<b>Other</b>		
Interest	2,287	4,573
Miscellaneous	9,517	48,859
Reimbursements	16,987	24,966
Grants	201,675	49,708
Donations and gifts	<u>16,446</u>	<u>7,678</u>
Total other	<u>246,912</u>	<u>135,784</u>
<b>Operating transfers</b>	<u>46,000</u>	<u>21,000</u>
Total cash receipts	<u>1,502,100</u>	<u>1,357,694</u>
<b>Expenditures</b>		
Construction materials	138,572	290,930
Other contractual	216,916	63,583
Capital items	26,958	9,808
Motor Vehicle/Equipment	0	97,557
Equip/Bldg. & Grounds	0	8,165
Professional Services	35,743	4,200
Other	<u>40,039</u>	<u>17,834</u>
Total expenditures	458,228	492,077
<b>Operating transfers</b>	<u>920,935</u>	<u>917,560</u>
Total expenditures and transfers	<u>1,379,163</u>	<u>1,409,637</u>
Receipts over (under) expenditures	122,937	(51,943)
Unencumbered cash (deficit), January 1	<u>753,993</u>	<u>876,930</u>
Unencumbered cash (deficit), December 31	\$ <u><u>876,930</u></u>	\$ <u><u>824,987</u></u>

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2t**

BUSINESS FUNDS  
WATER UTILITY FUND - 09  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2018			
	2017 Actual	Actual	Budget	Variance Over (Under)
<b>Cash receipts</b>				
<b>Charges for services</b>				
Sale of water	\$ 1,751,769	\$ 1,872,049	\$ 2,110,000	\$ (237,951)
Water for resale	46,006	44,851	48,000	(3,149)
Sales tax	26,651	29,108	42,000	(12,892)
Tank sales	8,228	7,602	8,000	(398)
Installation charges	36,500	21,500	25,000	(3,500)
Connection fees	8,515	7,260	8,000	(740)
Total charges for services	1,877,669	1,982,370	2,241,000	(258,630)
<b>Use of money and property</b>				
Interest on investments	1,380	1,408	1,000	408
Total use of money and property	1,380	1,408	1,000	408
<b>Other</b>				
Reimbursed expenses	78,099	78,166	80,000	(1,834)
KS setoff reimbursement	5,753	5,969	7,000	(1,031)
Miscellaneous	350	350	350	0
Long/short	(18)	1	0	1
	84,184	84,486	87,350	(2,864)
Total cash receipts	1,963,233	2,068,264	\$ 2,329,350	\$ (261,086)
<b>Expenditures</b>				
<b>Administration</b>				
Full time salaries	58,482	68,580	\$ 83,000	\$ (14,420)
Overtime	30	102	150	(48)
Other personal services	2,484	2,516	2,750	(234)
Insurance and bonds	9,830	10,102	11,500	(1,398)
Other contractual	4,790	4,848	5,000	(152)
General office supplies	360	686	700	(14)
Postage	4,043	4,396	5,000	(604)
Operational supplies	766	933	1,100	(167)
Miscellaneous	32	0	1,000	(1,000)
Refunds	1,250	0	0	0
Sales tax remittance	39,666	40,618	44,000	(3,382)
Total administration	121,733	132,781	154,200	(21,419)

See Independent Auditor's Report.



**City of Paola, Kansas**

**Schedule 2t**

BUSINESS FUNDS  
WATER UTILITY FUND - 09  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2018			
	2017 Actual	Actual	Budget	Variance Over (Under)
<b>Expenditures - continued</b>				
<b>Production</b>				
Full time salaries	\$ 60,609	\$ 60,979	\$ 59,200	\$ 1,779
Overtime	533	624	1,000	(376)
Telephone services	356	468	500	(32)
Training, travel, dues	211	103	100	3
Utilities	6,874	6,013	7,200	(1,187)
Other contractual	0	0	1,000	(1,000)
Water purchase	1,389,710	1,585,480	1,800,000	(214,520)
Motor fuel and lubrication	126	215	500	(285)
Uniforms	252	220	300	(80)
Total production	1,458,671	1,654,102	1,869,800	(215,698)
<b>Distribution</b>				
Full time salaries	39,992	34,040	42,000	(7,960)
Overtime	391	1,154	750	404
Tank maintenance	9,292	9,292	9,300	(8)
Telephone services	2,014	2,864	3,000	(136)
Training, travel, dues	3,029	1,406	2,000	(594)
Advertising	634	410	0	410
Lease Payments	16,441	14,274	14,274	0
Utilities	1,174	1,479	2,000	(521)
Testing analytical	2,974	2,264	3,000	(736)
Other contractual	7,843	10,422	8,000	2,422
General office supplies	109	87	450	(363)
Postage	422	510	600	(90)
Operational supplies	20,356	25,541	35,000	(9,459)
Vehicle maintenance	2,263	996	2,000	(1,004)
Equipment maintenance	7,132	6,037	2,500	3,537
Building and maintenance	1,823	2,503	2,500	3
Construction materials	25,050	19,091	22,500	(3,409)
Motor fuel and lubrication	7,252	11,871	10,000	1,871
Uniforms	710	1,070	1,500	(430)
Computer equipment and software	24	158	1,000	(842)
Mains and meters	87,140	81,401	80,000	1,401
Total distribution	236,065	226,870	242,374	(15,504)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2t

BUSINESS FUNDS  
WATER UTILITY FUND - 09  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		<u>Variance</u>
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
<b>Expenditures - continued</b>				
<b>Operating transfers</b>	\$ <u>166,000</u>	\$ <u>116,000</u>	\$ <u>116,000</u>	\$ <u>0</u>
<b>Appropriated reserve</b>	<u>0</u>	<u>0</u>	<u>267,919</u>	<u>(267,919)</u>
Total expenditures and transfers subject to budget	<u>1,982,469</u>	<u>2,129,753</u>	\$ <u><u>2,650,293</u></u>	\$ <u><u>(520,540)</u></u>
Receipts over (under) expenditures	(19,236)	(61,489)		
Unencumbered cash, January 1	<u>232,447</u>	<u>213,211</u>		
Unencumbered cash, December 31	\$ <u><u>213,211</u></u>	\$ <u><u>151,722</u></u>		

City of Paola, Kansas

Schedule 2u

BUSINESS FUNDS  
WATER TREATMENT PLANT FUND - 15  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Cash receipts</b>	<b>Actual</b>			<b>Over</b>
<b>Use of money and property</b>				<b>(Under)</b>
Interest	\$ 1,594	\$ 2,104	\$ 1,000	\$ 1,104
Total cash receipts	1,594	2,104	<u>1,000</u>	<u>1,104</u>
<b>Expenditures</b>				
Capital improvements	0	0	\$ 272,529	\$ (272,529)
Total expenditures and transfers subject to budget	0	0	<u>272,529</u>	<u>(272,529)</u>
Receipts over (under) expenditures	1,594	2,104		
Unencumbered cash, January 1	<u>270,529</u>	<u>272,123</u>		
Unencumbered cash, December 31	\$ <u>272,123</u>	\$ <u>274,227</u>		

## City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS  
SEWER SERVICE FUND - 04  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Cash receipts</b>	<b>Actual</b>			<b>Over</b>
<b>Charges for services</b>				<b>(Under)</b>
Inspection charges	\$ 2,500	\$ 1,100	\$ 2,000	\$ (900)
Sewer lagoon dumping	13,287	13,347	23,000	(9,653)
Sewer service charges	734,387	766,502	775,000	(8,498)
	<u>750,174</u>	<u>780,949</u>	<u>800,000</u>	<u>(19,051)</u>
<b>Use of money and property</b>				
Interest on investments	<u>1,892</u>	<u>1,909</u>	<u>1,400</u>	<u>509</u>
<b>Other</b>				
Reimbursed expenses	<u>2,834</u>	<u>8,816</u>	<u>5,000</u>	<u>3,816</u>
Total cash receipts	<u>754,900</u>	<u>791,674</u>	<u>\$ 806,400</u>	<u>\$ (14,726)</u>
<b>Expenditures</b>				
<b>Administration</b>				
Full time salaries	114,618	105,816	\$ 115,000	\$ (9,184)
Overtime	92	153	100	53
Other personal services	2,484	2,516	3,500	(984)
Training, Travel, Dues	0	0	1,000	(1,000)
Insurance	25,217	25,329	26,000	(671)
Other contractual	4,451	4,531	4,500	31
General office supplies	360	687	500	187
Postage	4,043	4,396	5,000	(604)
Miscellaneous	<u>32</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total administration	<u>151,297</u>	<u>143,428</u>	<u>155,600</u>	<u>(12,172)</u>
<b>Production</b>				
Full time salaries	43,875	43,829	56,000	(12,171)
Overtime	294	1,283	1,500	(217)
Telephone services	931	1,157	1,300	(143)
Training, travel, dues	742	205	1,500	(1,295)
Utilities	89,543	92,397	81,200	11,197
Testing and analytical	5,101	4,798	8,000	(3,202)
Other contractual	5,469	2,378	6,200	(3,822)
Postage	0	11	0	11
General office supplies	146	144	200	(56)

See Independent Auditor's Report.

**City of Paola, Kansas**

**Schedule 2v**

BUSINESS FUNDS  
SEWER SERVICE FUND - 04  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		<b>Variance Over (Under)</b>
	<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Expenditures - continued</b>				
<b>Production - continued</b>				
Operational supplies	\$ 7,890	\$ 10,436	\$ 15,000	\$ (4,564)
Vehicle maintenance	139	11	500	(489)
Equipment maintenance	1,228	1,195	1,500	(305)
Building maintenance	641	823	1,800	(977)
Motor fuel and lubricants	1,518	1,519	2,900	(1,381)
Uniforms	386	411	500	(89)
Computer Equipment and Software	13	1,075	1,000	75
Equipment, Plant	0	7,486	7,500	(14)
Equipment, building and grounds	4,323	5,578	6,000	(422)
Total production	162,239	174,736	192,600	(17,864)
<b>Distribution</b>				
Full time salaries	173,329	165,446	191,000	(25,554)
Overtime	1,514	4,185	2,100	2,085
Telephone services	2,182	2,653	2,750	(97)
Training, travel, dues	1,185	158	1,000	(842)
Advertising	634	410	0	410
Lease Payments	52,167	50,000	50,000	0
Utilities	8,130	7,873	8,700	(827)
Other contractual	6,828	8,406	6,500	1,906
General office supplies	185	109	500	(391)
Postage	67	0	0	0
Operational supplies	9,820	7,679	10,000	(2,321)
Vehicle maintenance	269	1,035	1,500	(465)
Equipment maintenance	12,318	9,323	8,000	1,323
Building maintenance	1,803	2,813	3,500	(687)
Construction materials	5,389	4,615	4,000	615
Motor fuel and lubricants	7,557	6,828	11,000	(4,172)
Uniforms	486	662	1,200	(538)
Other Operational	0	2,000	0	2,000
Computer equipment and software	24	40	250	(210)
Equipment, building and grounds	0	8,208	7,500	708
Motor Vehicle, equipment	34	0	0	0
Distribution lines	41,200	46,069	50,000	(3,931)
Total distribution	325,121	328,512	359,500	(30,988)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS  
SEWER SERVICE FUND - 04  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		<u>Variance Over (Under)</u>
		<u>2017 Actual</u>	<u>Actual</u> <u>Budget</u>	
<b>Expenditures - continued</b>				
<b>Operating transfers</b>	\$	<u>183,000</u>	\$ <u>168,000</u> \$ <u>183,000</u>	\$ <u>(15,000)</u>
<b>Appropriated reserve</b>		<u>0</u>	<u>0</u> <u>219,869</u>	<u>(219,869)</u>
Total expenditures and transfers subject to budget		<u>821,657</u>	<u>814,676</u> \$ <u>1,110,569</u>	\$ <u>(295,893)</u>
Receipts over (under) expenditures		(66,757)	(23,002)	
Unencumbered cash, January 1		<u>350,018</u>	<u>283,261</u>	
Unencumbered cash, December 31	\$	<u><u>283,261</u></u>	\$ <u><u>260,259</u></u>	

**City of Paola, Kansas**

**Schedule 2w**

BUSINESS FUNDS  
SEWER LINE REPLACEMENT - 11  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>			<b>Variance Over Over (Under)</b>
		<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>					
<b>Use of money and property</b>					
Interest on investments	\$	1,097	\$ 1,502	\$ 600	\$ 902
<b>Operating transfers</b>		<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Total cash receipts		<u>8,097</u>	<u>8,502</u>	<u>\$ 7,600</u>	<u>\$ 902</u>
<b>Expenditures</b>					
Equipment/plant		<u>0</u>	<u>0</u>	<u>\$ 198,523</u>	<u>\$ (198,523)</u>
Receipts over (under) expenditures		8,097	8,502		
Unencumbered cash, January 1		<u>183,323</u>	<u>191,420</u>		
Unencumbered cash, December 31	\$	<u><u>191,420</u></u>	<u><u>\$ 199,922</u></u>		

**City of Paola, Kansas**

**Schedule 2x**

BUSINESS FUNDS  
WASTEWATER TREATMENT PLANT - 16  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Charges for services</b>				
Connect & disconnect	\$ 57,750	\$ 22,850	\$ 27,000	\$ (4,150)
Sewer service charge	<u>437,348</u>	<u>464,840</u>	<u>480,000</u>	<u>(15,160)</u>
Total charges for services	<u>495,098</u>	<u>487,690</u>	<u>507,000</u>	<u>(19,310)</u>
<b>Use of money and property</b>				
Interest income	<u>1,970</u>	<u>1,875</u>	<u>2,000</u>	<u>(125)</u>
Total cash receipts	<u>497,068</u>	<u>489,565</u>	<u>\$ 509,000</u>	<u>\$ (19,435)</u>
<b>Expenditures</b>				
Full time salaries	106,413	79,950	\$ 98,000	\$ (18,050)
Overtime	3,787	5,748	4,000	1,748
Other contractual	0	4,925	10,000	(5,075)
Motor Fuel & Lube	0	0	2,000	(2,000)
Operational supplies	892	1,800	5,000	(3,200)
Miscellaneous	3,389	4,000	10,000	(6,000)
Equipment/plant	<u>11,903</u>	<u>3,993</u>	<u>25,000</u>	<u>(21,007)</u>
Total expenditures	<u>126,384</u>	<u>100,416</u>	<u>154,000</u>	<u>(53,584)</u>
<b>Operating transfer</b>	<u>451,057</u>	<u>450,657</u>	<u>455,658</u>	<u>(5,001)</u>
<b>Appropriated reserve</b>	<u>0</u>	<u>0</u>	<u>138,047</u>	<u>(138,047)</u>
Total expenditures and transfers subject to budget	<u>577,441</u>	<u>551,073</u>	<u>\$ 747,705</u>	<u>\$ (196,632)</u>
<b>Receipts over (under) expenditures</b>	(80,373)	(61,508)		
<b>Unencumbered cash, January 1</b>	<u>331,964</u>	<u>251,591</u>		
<b>Unencumbered cash, December 31</b>	<u>\$ 251,591</u>	<u>\$ 190,083</u>		

See Independent Auditor's Report.



**City of Paola, Kansas**

**Schedule 2y**

BUSINESS FUNDS  
HEALTH AND SANITATION FUND - 13  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Charges for services</b>				
Haulers' permits	\$ 750	\$ 1,350	\$ 600	\$ 750
Landfill charges and collections	<u>355,979</u>	<u>366,741</u>	<u>370,000</u>	<u>(3,259)</u>
Total charges for services	<u>356,729</u>	<u>368,091</u>	<u>370,600</u>	<u>(2,509)</u>
<b>Use of money and property</b>				
KS setoff reimbursement	149	95	300	(205)
Interest on investments	<u>246</u>	<u>254</u>	<u>250</u>	<u>4</u>
Total use of money & property	<u>395</u>	<u>349</u>	<u>550</u>	<u>(201)</u>
<b>Fees</b>	<u>405</u>	<u>240</u>	<u>200</u>	<u>40</u>
Total cash receipts	<u>357,529</u>	<u>368,680</u>	\$ <u>371,350</u>	\$ <u>(2,465)</u>
<b>Expenditures</b>				
Full time salaries	12,220	16,430	\$ 15,500	\$ 930
Overtime	30	51	0	51
Advertising	719	1,063	750	313
Insurance	1,221	1,128	1,500	(372)
Other contractual	339,310	343,496	345,000	(1,504)
General office supplies	335	687	500	187
Pay Stickers	<u>338</u>	<u>337</u>	<u>0</u>	<u>337</u>
Total expenditures	<u>354,173</u>	<u>363,192</u>	<u>363,250</u>	<u>(58)</u>
<b>Operating transfers</b>	<u>10,000</u>	<u>5,000</u>	<u>10,000</u>	<u>(5,000)</u>
<b>Appropriated reserve</b>	<u>0</u>	<u>0</u>	<u>27,379</u>	<u>(27,379)</u>
Total expenditures and transfers subject to budget	<u>364,173</u>	<u>368,192</u>	\$ <u>400,629</u>	\$ <u>(32,437)</u>
Receipts over (under) expenditures	(6,644)	488		
Unencumbered cash, January 1	<u>36,287</u>	<u>29,643</u>		
Unencumbered cash, December 31	\$ <u>29,643</u>	\$ <u>30,131</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 3

AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS  
REGULATORY BASIS  
For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Police bond	\$ 11,686	\$ 46,542	\$ 43,109	\$ 15,119
Payroll withholding	<u>6,672</u>	<u>361,475</u>	<u>360,263</u>	<u>7,884</u>
	\$ <u>18,358</u>	\$ <u>408,017</u>	\$ <u>403,372</u>	\$ <u>23,003</u>

See Independent Auditor's Report.